Senate Bill No. 1196

CHAPTER 869

An act to add Part 2.7 (commencing with Section 57) to Division 1 of the Civil Code, to add Section 1367.50 to the Health and Safety Code, and to add Section 10117.52 to the Insurance Code, relating to health care coverage.

[Approved by Governor September 30, 2012. Filed with Secretary of State September 30, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, Hernandez. Claims data disclosure.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensing and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Insurance Commissioner. Except as specified, existing law prohibits a provider of health care, a health care service plan, or contractor from disclosing medical information regarding a patient of the provider of health care or an enrollee or subscriber of a health care service plan without first obtaining an authorization.

Existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires the Secretary of Health and Human Services to make available to qualified entities, as defined, specified claims data relating to Medicare in order to evaluate the performance of providers and suppliers. Existing federal regulations require a qualified entity, as defined, to comply with specified requirements for Medicare claims data error correction.

This bill would provide that no contract in existence or issued, amended, or renewed on or after January 1, 2013, between a health care service plan or a health insurer and a provider or supplier, as specified, shall prohibit, condition, or in any way restrict the disclosure of claims data related to health care services provided to specified individuals, to a qualified entity, as defined. The bill would require a health care service plan or health insurer to comply with all state and federal laws and implementing regulations for the protection of data privacy and security. Because a willful violation of these requirements by a health care service plan would constitute a crime, the bill would impose a state-mandated local program.

This bill would further require a qualified entity, as defined, to comply with specified requirements for error correction for all claims data received, including data received from sources other than Medicare.

Because a willful violation of the act by a health care service plan would constitute a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Part 2.7 (commencing with Section 57) is added to Division 1 of the Civil Code, to read:

PART 2.7. MEDICAL CLAIMS DATA ERROR CORRECTION

57. (a) A qualified entity, as defined in Section 1395kk(e)(2) of Title 42 of the United States Code, that receives claims data from a health care service plan or health insurer shall comply with the requirements governing provider and supplier requests for error correction established under Section 401.717 of Title 42 of the Code of Federal Regulations for all claims data received, including data from sources other than Medicare.

(b) For purposes of this section, the following definitions apply:

(1) "Provider" means a hospital, a skilled nursing facility, a comprehensive outpatient rehabilitation facility, a home health agency, a hospice, a clinic, or a rehabilitation agency.

(2) "Supplier" means a physician and surgeon or other health care practitioner, or an entity that furnishes health care services other than a provider.

SEC. 2. Section 1367.50 is added to the Health and Safety Code, to read:

1367.50. (a) No contract in existence or issued, amended, or renewed on or after January 1, 2013, between a health care service plan and a provider or a supplier shall prohibit, condition, or in any way restrict the disclosure of claims data related to health care services provided to an enrollee or subscriber of the health care service plan or beneficiaries of any self-funded health coverage arrangement administered by the health care service plan, to a qualified entity, as defined in Section 1395kk(e)(2) of Title 42 of the United States Code. All disclosures of data made under this section shall comply with all applicable state and federal laws for the protection of the privacy and security of the data, including, but not limited to, the federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and the federal Health Information Technology for Economic and Clinical Health Act, Title XIII of the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and implementing regulations.

(b) For purposes of this section, the following definitions apply:

(1) "PPACA" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(2) "Provider" means a hospital, a skilled nursing facility, a comprehensive outpatient rehabilitation facility, a home health agency, a hospice, a clinic, or a rehabilitation agency.

(3) "Supplier" means a physician and surgeon or other health care practitioner, or an entity that furnishes health care services other than a provider.

SEC. 3. Section 10117.52 is added to the Insurance Code, to read:

10117.52. (a) No health insurance contract in existence or issued, amended, or renewed on or after January 1, 2013, between a health insurer and a provider or a supplier shall prohibit, condition, or in any way restrict the disclosure of claims data related to health care services provided to a policyholder or insured of the insurer or beneficiaries of any self-insured health coverage arrangement administered by the insurer, to a qualified entity, as defined in Section 1395kk(e)(2) of Title 42 of the United States Code. All disclosures of data made under this section shall comply with all applicable state and federal laws for the protection of the privacy and security of the data, including, but not limited to, the federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and the federal Health Information Technology for Economic and Clinical Health Act, Title XIII of the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and implementing regulations.

(b) For purposes of this section, the following definitions apply:

(1) "PPACA" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(2) "Provider" means a hospital, a skilled nursing facility, a comprehensive outpatient rehabilitation facility, a home health agency, a hospice, a clinic, or a rehabilitation agency.

(3) "Supplier" means a physician and surgeon or other health care practitioner, or an entity that furnishes health care services other than a provider.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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